

Australian Avocado Export Strategy 2022-2026 White Paper

Presented by: Avocados Australia

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About this White Paper

This White Paper (Paper) is the first step in the consultation process to develop a new Avocado Export Strategy (Strategy) for the next 5 years. Avocados Australia was recently awarded a Hort Innovation project (AV21000) to undertake this work.

The objective of this Paper is to:

- Inform Australian avocado industry stakeholders about the current state of the industry, industry challenges and the opportunities for future export development that will likely present over the next five years.
- Provide some realistic targets (volumes and pricing for specific countries) for the market development
- Provide a mechanism to receive feedback / comments from industry stakeholders about the possible approaches to support export market development.

Consultation with registered Australian industry stakeholders to inform the Strategy will include, but not be limited to:

- This White Paper (30 March – 14 April 2022)
- Presentation at Avocado Export Forums (QLD (March 2022), WA (10th May 2022) and Riverland SA (13th May 2022)
- An industry webinar (proposed: 24th May 2022)
- Presentation at Avo Connections (6th June 2022, Brisbane, prior to Hort Connection).

A draft Strategy will also be provided to registered stakeholders in late May to provide further feedback and comments.

A final Strategy will be submitted to Hort Innovation by 20 June 2022.

Requested of you

Armed with the information in this Paper, as well as your own knowledge and insights into both the Australian and global industry, we ask that you might be able to provide some feedback or ideas to inform the development of the new Avocado Export Strategy 2022-2026, so that commercial outcomes can be optimised for your business and/or the broader industry.

There are several options to respond:

- Complete the online survey at: <https://www.surveymonkey.com/r/exportstrategy>
- Email any comments to export@avocado.org.au
- Talk to someone: Call Avocados Australia (07 3846 6566) to book a call back from a Project Team member.

At the end of this Paper (pg. 18) is a list of questions, which mirror the online survey, that you might like to consider.

Why a new Strategy is important?

The current Export Strategy (2019-2021) has served the industry well, however, a significant shift in industry dynamics now requires increased investment and effort in export development. Hence, the objective of this project is to deliver a new Strategy (2022-2026) to guide investment in future export development initiatives so that the Australian avocado industry can optimise commercial outcomes both in the short- and long-term, recognising the increasingly challenging and globally competitive environment in which it now and in the future will operate.

The new Strategy will be informed by previous industry performance, identified challenges and opportunities, current and possible future market conditions, market research, and consultation with key stakeholders (including growers, exporters, researchers, and importers /retailers in export markets). It will define the objectives, underpinning rationale, and implementation strategies to achieve the tested KPIs (key performance indicators).

The Strategy will help to build a stronger future and aid industry decision making, as it will:

- Assist industry stakeholders to identify export growth opportunities for Australian product and risks that require attention and monitoring
- Assist Hort Innovation and Government with decisions regarding market access prioritisation
- Assist Avocados Australia with future IMAAP* market access and improvement applications
- Inform decisions around investments and activities (commercial and levy funded) related to R&D, industry export capability development, international market development and promotion.

Note: Further details of the Project Team and Project Reference Group are provided in Appendix 1.

** IMAAP or the International Market Access Assessment Panel is a Hort Innovation advisory committee which assesses market access applications to be forwarded to the Australian Government for consideration.*

The bigger picture

Societal, technological, economic, environmental and political (STEEP) issues that may drive the future are included in the following. These can have a positive or negative effect on outcomes for the industry and should be considered in longer term planning.

This list, shown in Table 1 below, is not exhaustive however these are issues to be considered in deliberating the future of the industry and its export potential.

Societal	Rising global population AU – Aging population Covid disruption Social license	Focus on health (demand for healthy foods) Available labour Available talent / remote working
Technology	Automation / robotics IoT/ Agtech / AI Extended reality Improved connectivity	Health care digitisation Cyber disruptions 'As a Service' solutions Other tech advances in production and supply chain management
Economic	Impact of Covid (ongoing) Evolving and challenged supply chains Cost and availability of transport Resource price volatility e.g., fertiliser, chemicals	Changing appetite for globalisation Wealth concentration / stagnating middle class (western economies) Increasing middle class (Asia)
Environmental	Climate change impacts Sustainable production Resource scarcity Renewable energy	Environmental stewardship / compliance Consumer expectations
Political	Geopolitical instability e.g., Ukraine Russian conflict (changed trade flows / potentially long term) Rise of China	China-Australia relationship Regulatory issues – domestic Regulatory issues – international

Table 1: Some of the future issues which will impact the performance of the Australian avocado industry

A current industry SWOT is also provided in Appendix 2.

Current and projected industry performance

Production

The Australian avocado industry has seen many years of continual production growth to supply the increasing and unmet demand in the Australian domestic consumer market, marked by a period of record returns for growers. This growth has been underpinned by increased planting and productivity increases.

In the past 5 years (2017-2021) 6,400 ha of new orchards have been planted, 43% of total plantings. This has resulted in increasing supply, to the point where supply is now exceeding demand in the domestic market and returns to growers in 2021 have significantly diminished.

The recently updated long-term crop forecast by Avocados Australia estimates that Australia’s production will reach 170,000 tonnes by 2026 based on current plantings and average yields. This is more than double the production in 2020-21 (see Figure 1).

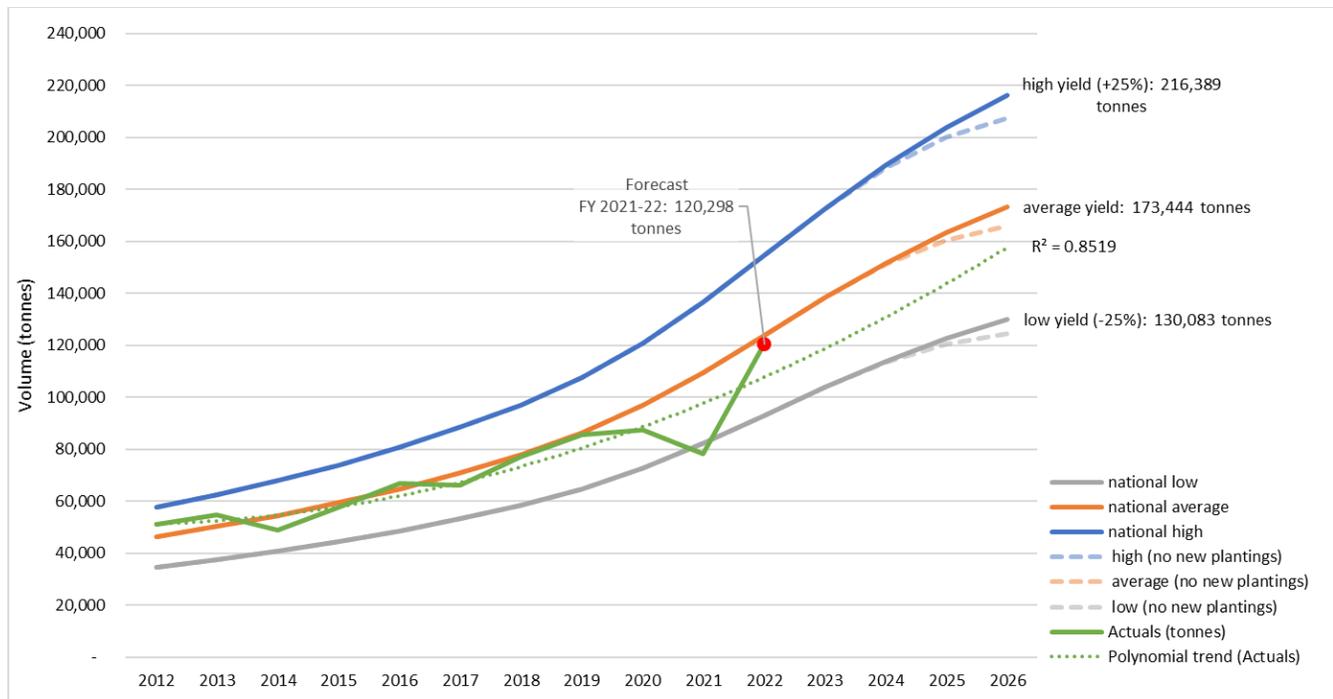


Figure 1: Forecast production to 2026 compared with actual production to 2021

Modelling of expected monthly dispatch shows that by 2026 there will be periods of very high supply with peak supply expected from March – May (see Figure 2). Typically, domestic demand tends to soften during the Australian Autumn and Winter (March – August), in line with cooler conditions. Hence, export sales will play an increasingly important role across this period and other peak supply periods.

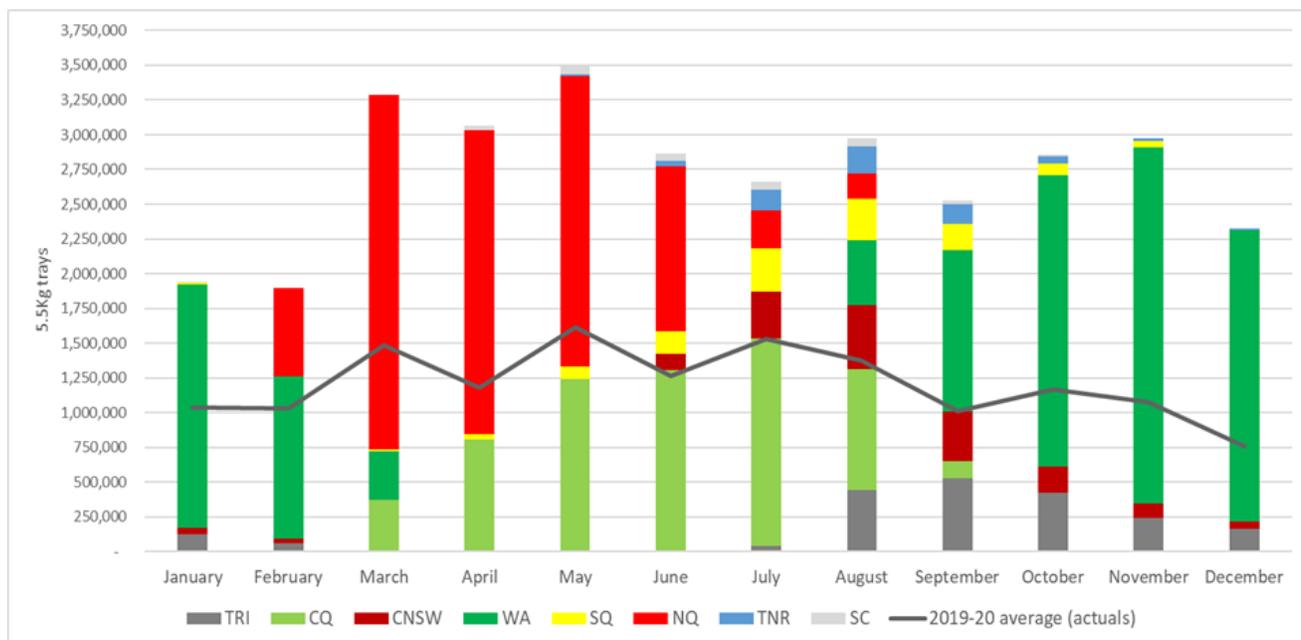


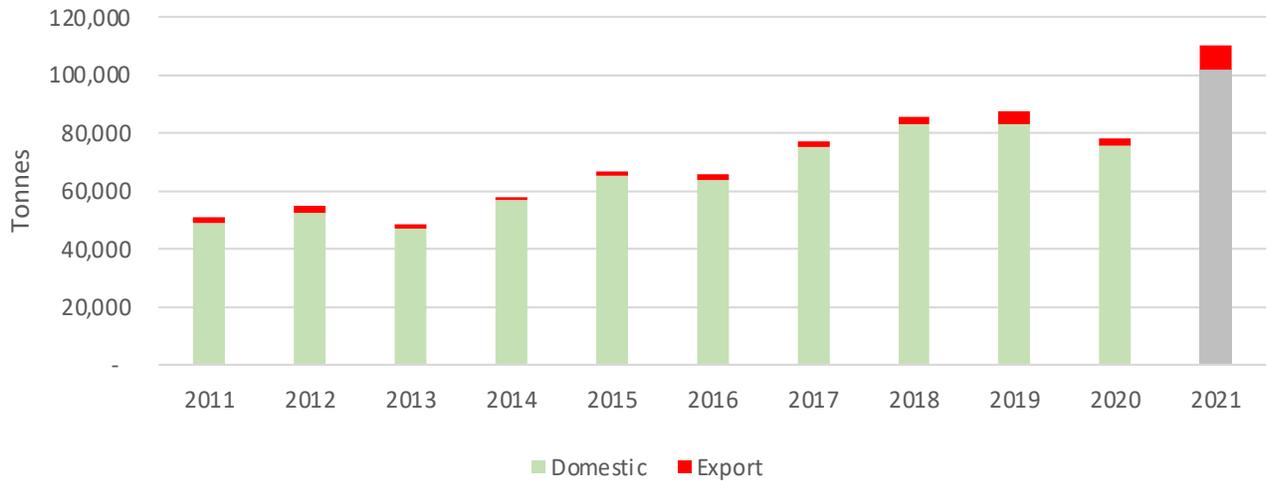
Figure 2: Forecast monthly flow of dispatch in 2026 compared with the actual average for 2019 and 2020

Until March 2021, Australian avocado growers and marketers received strong returns from the domestic markets, resulting in limited incentive for growers to support major export market expansion plans. However, the significant decline in domestic trading terms over the last 12 months, makes both domestic and export market development paramount over the next 5 years and beyond to sustain the industry.

Export overview

Australian avocado exports increased from 1,786 tonnes (AUD12million) in 2017/18 to 4,051 tonnes (AUD25million) in 2019/20, representing an average annual growth rate in volume and value of 50.6% and 46.8% respectively over this period, albeit off a very low base.

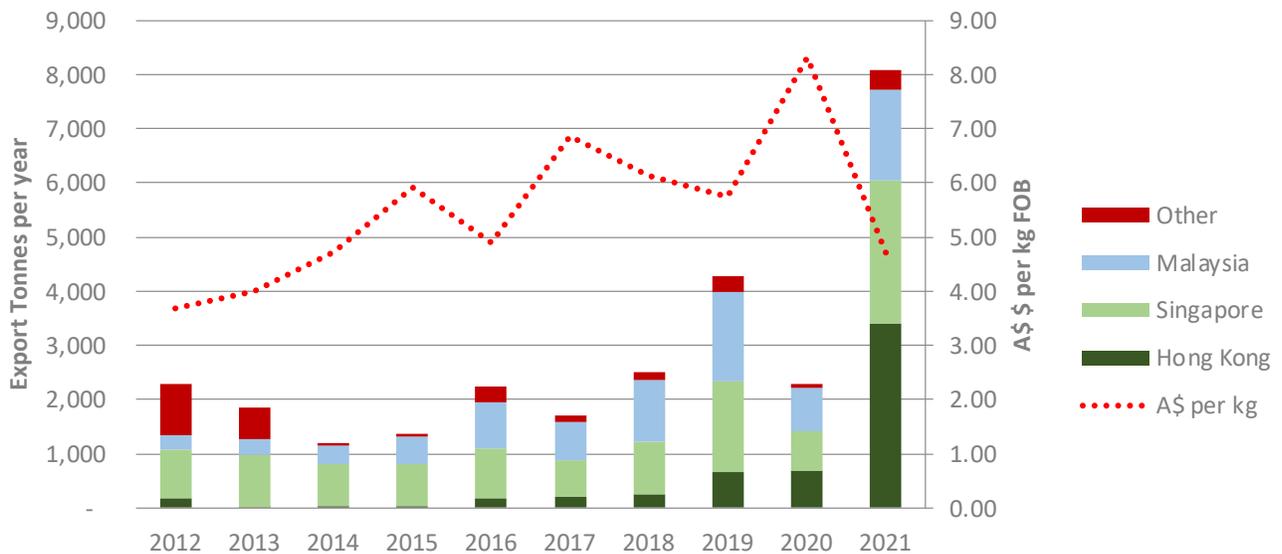
Despite constraints due to Covid, including limited access to flights, increased transport costs, and variable demand in markets, the industry has seen exports reach 8,078 tonnes for CY 2021. This represents approximately 7% of production over this period (as shown in Figure 3). This export growth is primarily driven by reduced price of Australian fruit as a result of oversupply, meaning the Australian product is more price competitive and as a result is replacing fruit from other less desired source countries.



Source: HIA Statistics handbook, FAOSTAT, IHS Global Trade Atlas; Fresh Intelligence analysis

Figure 3: Australian avocado domestic and export trade 2011 – 2021

In CY 2021, 96% of exports sales were directed to 3 markets (Singapore, Malaysia and Hong Kong), as shown in Figure 4.



Source: IHS Global Trade Atlas; Fresh Intelligence analysis

Figure 4: Australian avocado export trade by year and country 2011 – 2021

The details of export sales into each market are provided in Table 2 below.

Current export markets CY 2021

Country	Volume (tonnes)	Value (AUD millions)	AUD per kg FOB
Hong Kong	3,401	16.68	4.91
Singapore	2,633	12.28	4.66
Malaysia	1,680	7.23	4.30
Indonesia	74	0.50	6.78
Japan	73	0.4	5.43
United Arab Emirates	93	0.33	3.36
Qatar	7		
Other	190	1.05	5.54
Total	8,087	38.9	4.71

Table 2: Current Australian avocado export markets, volumes and values (CY 2021 data)

Stated industry position

The Australian avocado industry has set a target to increase exports to 20,000 tonnes and domestic consumption to 150,000 tonnes within 5 years. These targets are outlined in the recently completed Avocado Industry Strategic Investment Plan (2022-2026).

Given these goals (which will be tested as part of the development of this Strategy), the new Export Strategy needs to target markets with the capacity to collectively absorb the required increased volume at sustainable prices.

Challenges

Summary

- Limited market access to protocol markets
- Market access research limitations
- Research and scientific capacity to support market access
- Existing markets have limited growth potential
- Competitiveness in export markets
- Shipping distances
- Meeting international MRLs
- Limited export experience in the Australian supply base
- Limited knowledge of potential export markets
- Move from air to sea freight to supply markets
- Quality and robustness of fruit
- Identifying a Unique Selling Proposition (USP)
- Branding of Australian avocados.

Details of each are provided below.

Limited market access to protocol markets

Australian avocados are predominantly limited to supplying non-protocol markets, such as Hong Kong, Singapore, Malaysia and a number of Middle East countries. The exception is Western Australia and South Australian grown fruit which can be supplied to the Japanese market under a 'fruit fly conditional non-host' protocol.

There are also two protocol markets, New Zealand and Thailand, where Australia has market access but the protocols in place are not workable from a practical perspective. These are important markets for Australia to access and details are outlined in the table below.

Several protocol markets to which access would be of significant advantage, but remain elusive, include Japan (for supply of Australian east coast), China and India.

Although significant work has been undertaken by key stakeholders (researchers, Hort Innovation, Government and Avocados Australia) over a long period to gain market access or improved protocols, there is still more to be done. In the table below (Table 3) is a list of potential protocol export markets and their current market access status.

It should also be noted that negotiations for market access are complex and can take many years (often between 4 – 15 years) to conclude. Underpinning government-to-government negotiations is the

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requirement for scientific evidence to support the exporting country’s claim to be able to provide product that meets the importing country’s phytosanitary requirements, and political will from both governments to progress discussions.

One of the biggest risks is that new or improved market access negotiations are too slow or become stalled, and sufficient demand cannot be built in the domestic market, resulting in the Australian avocado industry needing to downsize (to balance supply and demand to achieve sustainable pricing).

COUNTRY	CURRENT STATUS
Limited Access	
Japan	<p>Only Western Australian and South Australian grown fruit can be supplied to the Japanese market under a 'fruit fly conditional non-host' protocol.</p> <p>Further research has been completed and presented to the Australian Government for negotiation on market access for Australian east coast grown fruit (where Queensland fruit fly is endemic).</p>
Current Protocol Not Workable	
New Zealand	<p>The current market access protocol requires fruit to be cold treated at 1 °C (+/- 0.2 °C) for 16 days. Fruit quality at this time/temperature combination is adversely affected.</p> <p>Also, avocados must have been sourced from an area free from avocado sun blotch viroid (ASBVd), as verified by an official detection survey. Growers and blocks must be registered with an official tree certification scheme (such as the Avocado Nursery Voluntary Accreditation Scheme or relevant state departments) to ensure freedom from avocado sun blotch viroid (ASBVd).</p> <p>Also, measures must be applied for <i>Pseudocercospora purpurea</i> (Cercospora spot blotch) of either: in-field controls (at an accredited property) or area freedom, as verified by an official detection survey. More detail is required about how this can be achieved.</p> <p>Research is underway to develop a sampling and testing protocol for ASBVd using PCR assays which will allow orchards to be declared free from ASBVd. Once this research is completed, negotiations can be undertaken to seek NZ acceptance of this approach and an updated protocol.</p> <p>Data packages will soon be available to support amended protocols to include:</p> <ol style="list-style-type: none"> 1. Fruit fly conditional non-host, and 2. Fruit fly cold disinfestation at 3 degrees Celsius for 16 days.
Thailand	<p>Australian avocados from all areas had non-protocol access to Thailand until 2012. Fruit grown in the PFA Riverland area of South Australia still has access. A new cold treatment protocol was introduced for remaining production areas that has resulted in the cessation of trade, because of the impact of these treatments on fruit quality.</p> <p>The Australian Government is currently negotiating a new protocol (for Mediterranean fruit fly) for market access for Western Australian fruit.</p> <p>New research has been completed to support market access for Australian east coast fruit (for Queensland fruit fly). This will be able to be used to progress discussions on a market access improvement for Thailand.</p>

Continued over page

No Access	
China	Market access application has been completed by Avocados Australia, considered by Hort Innovation and forwarded to DAWE. The application is currently sitting in the pool of market access applications for consideration by the Australian Government to present to the Chinese Government in future negotiations.
India	Market access application has been completed by Avocados Australia and market access is currently being negotiated between the Australian and Indian Governments. An update of progress is expected by CY Q2, 2022.
South Korea	Market access application has been submitted by Avocados Australia to be presented to Hort Innovation's IMAAP* for evaluation by CYQ2, 2022.
Vietnam	Market access application has been submitted by Avocados Australia to be presented to Hort Innovation's IMAAP* for evaluation by CYQ2, 2022.
Philippines Taiwan USA Canada	No activity in relation to market access, due to previously assessed limited market opportunity

Table 3: Status of market access for Australian avocados by Country (21 March 2022)

* More information on the Hort Innovation IMAAP process can be found at

<https://www.horticulture.com.au/hort-innovation/our-work/trade-and-export/market-access/>

Market access research limitations

Sustained efforts are required to continue to progress new or improved workable market access protocols based on robust data packages.

Unfortunately, research has shown that irradiation or cold treatments that require very low temperatures (<2 °C) for extended periods, are not practical treatments for avocados because of their negative impact on fruit quality.

Research to extend scientific evidence around the effectiveness of conditional non-host and cold treatment protocols for fruit fly has either recently been completed or is currently being undertaken. As outlined in the Table 3, this work should provide a pathway for Hass avocado market access to several countries including:

- Australian west coast avocados to Thailand
- Australian east coast avocados to Japan
- Australian east coast avocados to Thailand.

Unfortunately, in regard to the Shepard variety, research on the use of a conditional non-host protocol has not proven effective. Similarly, the low temperatures and extended exposure required for an effective cold treatment protocol, although able to disinfest fruit flies, are detrimental to fruit quality.

However, there is no guarantee that the importing country will accept the research or will not request further research to be undertaken, which can delay the process.

Research and scientific capacity to support market access

Research to demonstrate the effectiveness of proposed market access treatments is complex and by its nature can take significant time and resources. There is a need to ensure that sufficient market access research capacity at industry level is maintained so that any required additional research can be addressed in a timely manner.

As the science behind market access applications becomes more rigorous and nuanced, advancing applications for market access through the government-to-government negotiation process can be challenging due to restricted scientific capacity at government level, both in Australia and within the governments of our international trading partners. This capacity limitation is something that needs to be addressed to assist in reducing market access application times.

Existing markets have limited growth potential

The existing, primarily non-protocol, markets have limited capacity to grow and to meet the future export volumes of the Australian industry. For example, Singapore's total imports are relatively stable at around 6,000 tonnes per annum with 11% growth rate, however market share changes based on product competitiveness. Australia's newfound price competitiveness, off the back of declining terms of trade in the domestic market, has resulted in a significant increase in market share growth for Australia, but not overall market growth. Therefore, to increase export volumes, the focus needs to be on larger markets, which are by default predominantly protocol markets.

Competitiveness in export markets

Australia is a high-cost producer of avocados that has been able to extract premium prices based on freshness and quality. However, as our competitors' quality improves and they continue to supply at lower price points, Australia's market position will be challenged.

Over the last two years, Covid and geo-political influences have and continue to impact business costs (cost of farm inputs, access to and cost of labour, transport costs and availability, supply chain risk/loss, etc.) further eroding the competitive position of Australian avocados.

At the same time, many avocado producing countries are continuing to expand their avocado production and exports and competition in existing (and future) markets will become more intense, if global supply outpaces demand.

It is essential that Australian growers and their supply chains continue to focus on measures that can reduce the unit cost of product, whilst retaining fruit quality.

Shipping distances

Some markets, such as the UK and European markets are non-protocol markets for Australian avocados. However, risk around long shipping times (sea freight) and the subsequent impact on fruit quality and remaining shelf-life in sea-freighted fruit, along with lower market price points effectively precludes

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Australia. However, these are markets that can absorb large volumes of fruit and may be required to help support the industry's export strategy.

Historical and current economics of air freight also precludes Australia from these markets, and this is not expected to change in the future.

Meeting international MRLs

Maximum Residue Limits or MRLs is the highest amount of an agricultural chemical residue that is legally allowed in a food product sold. Some countries have a nil tolerance or very low MRLs for chemicals that are used in Australian avocado production for control of pests and diseases. In some cases, this impediment can be managed in a practical way by Australian growers or the supply chain, however in others, it is not practical or economically viable to do so.

There are several countries, where restrictions on the use of chemicals that are often used in Australian avocado production, requires alternate solutions. Further work is currently being undertaken as part of this project to understand the implications of possible restriction on future trade and, if trade is feasible, what production or postharvest modification or alternate solutions may need to be considered.

Limited export experience in the Australian supply base

Most Australian avocado growers and exporters have no or limited experience in meeting the requirements of international market access protocols. Significant effort will be needed to help growers, packers and exporters adopt new market access protocols and incorporate the requirements into their business processes.

Limited knowledge of potential export markets

There is limited knowledge across the industry of the specific market development opportunities in new or potential future markets, such as Japan, India, Thailand and South Korea. The industry will need to invest in market and consumer research and education if it is to understand and maximise opportunities in these markets.

Move from air to sea freight to supply markets

Disruption due to Covid has accelerated the use of sea-freight to export Australian avocados. In an increasingly competitive global environment, a move to sea freight means that Australian avocados are more price competitive in the market, due to the lower cost per unit shipped. This change however requires new knowledge, skills and processes that not all current exporters possess. Hence there is a need to educate and support exporters, so they can efficiently and effectively move Australian product to international markets.

Quality and robustness of fruit

It is essential with changing supply chains (longer shipping times via sea freight) and the improvement in fruit quality from competitor countries that Australian growers and their supply chains continue to focus on providing high-quality robust fruit to meet customer expectations. This will assist in maintain a premium

price position in export markets and will also be required if Australia is to open up more distant markets such as the Middle East and UK/Europe to move larger volumes of fruit into the international marketplace.

This will likely require growers to make changes to their production practices and the supply chain parties to consider improved cool chain management and adoption of new technologies to support improved quality outcomes.

Identifying a Unique Selling Proposition (USP)

- What makes Australian avocados special, compared to our competitors, in export markets?
- What makes Australian avocados attract a premium price?
- How do we maintain an edge in an increasingly competitive global market?
- What is our Unique Selling Proposition (USP)?

These questions are at the heart of the market development and promotion and need to be clearly understood by all who serve export markets.

Our USP is generally accepted to be the freshness and quality of Australian avocados and the broader 'clean, green, healthy and adventurous' image of Australia. Some research has been undertaken to gain greater insight into how consumers in Malaysia, Singapore and Japan view Australian avocados, however more research is needed to fully understand the demand drivers in key markets and how Australian exporters can capitalise on these.

Branding of Australian avocados

Although Australian product enjoys a strong reputation in export markets, it is often difficult for consumers to identify avocados as being from an Australian source. This equates to lost opportunity for the Australian avocado export sector, as well as for individual exporters. A solution requires finding an effective mechanism to achieve and leverage this recognition, whilst still allowing individual exporters to develop their own brands and manage their commercial activities.

Opportunities

Summary

- Prioritise market access
- Country specific opportunities
- Demonstrate our sustainability credentials
- More investment in international market development and promotion
- Investigate new technologies.

Details of each are provided below.

Prioritise market access and effort

Focus on achieving market access and market development outcomes in key strategic markets as quickly as possible. Attention is needed by all key stakeholders.

Key strategic markets include Japan (east coast avocados), India, New Zealand, Thailand, South Korea and Vietnam.

Country specific opportunities

Appendix 3 provides specific metrics around current export markets and strategic export growth targets for 2026.

In Table 4 below, the market access and market development opportunities are outlined for key export markets.

COUNTRY	Current Status	Opportunity
Hong Kong, Singapore, Malaysia, Indonesia, UAE and Qatar	Non-protocol	Maintain or grow existing market share through to 2026.
UK/ Italy	Non-protocol	Test: ability to ship, address MRL tolerances, market acceptance, and market competitiveness. If viable, develop beachhead to grow market share.
Indonesia	Non-protocol	Grow existing market share through to 2026.
Japan	Protocol WA and SA only	Grow market share for WA and SA fruit. Amend protocol to include all regions of Australia (Hass only) for fruit fly conditional non host and (if required) for east coast avocados 3 degrees Celsius for 16 days cold disinfestation.

COUNTRY	Current Status	Opportunity
New Zealand	Current protocol not workable	Amend protocol (for QLD and NSW fruit, which is available in the NZ offseason) based on recent research on fruit fly (to include options for conditional non host or 3 degrees Celsius for 16 days cold disinfestation) and ASBVd sampling and testing (to include new sampling and PCR testing requirements).
Thailand	Current protocol not workable	Amend protocol for WA and SA fruit (Hass only) to fruit fly conditional non-host (by 2022/23) Amend protocol for all regions of Australia (Hass only) to include options of fruit fly conditional non-host or 3 degrees Celsius for 16 days cold disinfestation (by 2023/24)
China	No access	Continue to pursue access. Negotiation commencement not likely in the short-medium term due to geopolitical tensions.
India	No access	Continue to pursue market access for all regions of Australia and reduction in tariff. Update on progress from DAWE expected by CYQ2, 2022.
Philippines Taiwan	No access	Identify if these are viable markets for Australian avocados and develop application for IMAAP if feasible
South Korea Vietnam	No access	Pursue market access negotiation prioritisation with DAWE. Market access not likely within 5 years.
USA, Canada	No access	No action – Australian product not considered to be competitive against Mexican, Columbia and Peruvian fruit

Table 4: Market access opportunities available to key export markets

Introduction of Australian avocado industry export guidelines

Currently there are no documented and accepted industry guidelines or quality standards for Australian export avocados. There is an opportunity to introduce Australian avocado industry export guidelines, incorporating quality standards to support better quality outcomes for the industry.

Demonstrate sustainability credentials

Increasingly consumers want to know that the food they consume is grown in a sustainable way. Recently, Hort Innovation produced a Sustainability Framework aligned to UN Sustainability Development Goals. The Australian avocado industry has a good record of stewardship in this area and could use the Framework as the basis to demonstrate to customers in export markets, the industry’s credentials and its proactive approach to sustainability issues.

Investigate and promote use of new technologies

Investigate new technologies that can potentially improve productivity, fruit quality and robustness, allow fruit to meet protocol requirements without quality deterioration, extend shelf life of fruit and improve the customer experience.

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This might include new production management techniques, increased automation and robotics at farm and in the supply chain, new post-harvest technologies (new cooling technologies, CA technologies, fruit coatings, advanced tracking technologies), traceability systems etc. so that

- Australian avocados remain competitive in export markets
- Fruit arrives in market in better quality with longer shelf life (and supply chain partners have greater visibility of fruit quality so they can manage appropriately)
- Consumer experience is improved (fruit quality, confidence in the source of the product)
- More distant markets can potentially be accessed
- Less waste (and associated cost).

More investment in international market development and promotion

To sustain or grow market share in existing markets and build new strategic markets, increased investment into market research, market and trade development and promotion activities is required.

Opportunities include:

- More research to understand Australian avocados USP for each major export market and how this can best be exploited for commercial return
- Investment in activities such as trade shows, outbound and inbound trade missions (for networking and education), education programs for importers, retailers and food service in managing and using Australian avocados
- Investment in promotional activities such as Australian avocado retail launches, advertising and social media

Leveraging an 'Australian' brand

There are opportunities to better leverage an "Australian" brand to provide greater consumer visibility and better position Australian avocados in export markets.

The recent launch of Australia's National Brand by Austrade (www.australiabrand.com.au) may provide a solution for both commercial businesses and the industry. This branding can now be used by Australian commercial businesses to co-brand product and could also potentially be used at an industry level to promote the Australian horticulture category.

Future market volume targets and other attributes

To gain some sense of possibility, analysis has been conducted to look at what might be feasible or likely given the capacity of the Australian avocado industry, the challenges the industry faces and opportunities that are available or likely to become available over the next five years.

A summary of this analysis is provided in Table 6 below and presented as market access and development objectives, indicative pricing and volume targets, with additional commentary to support export outcomes.

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2026 TARGETS		
Country	Market access and Market Development Objective	Tonnes
Existing markets		
Hong Kong	Grow supply from current 3,400 tonnes to 5,000 tonnes @ AU5.25/kg (est. 33% market share)	5,000
Singapore	Maintain current 60% market share. Grow supply from current 2,633 tonnes to 5,400 tonnes @ AU5.25/kg FOB	5,400
Malaysia	Maintain current 60% market share. Grow supply from current 1,680 tonnes to 3,600 tonnes @ AU5.25/kg FOB	3,600
Indonesia	Grow supply from 74 tonnes to 200 tonnes @AU7.00/kg FOB.	200
UAE	Grow supply from 93 tonnes to 500 tonnes @AU6.00/kg FOB (est. 3% market share) Target food service with airfreight	500
Qatar	Grow supply from 7 tonnes to 200 tonnes @AU5.00/kg FOB (est. 5% market share) Target food service with airfreight	200
Japan	Grow supply from current 73 tonnes to 800 tonnes @AU5.00/kg FOB (est. 1% market share). Workable protocol for all Australian east coast (Hass only)	800
Other	Maintain existing Pacific trade	200
Sub-total		15,900
Market access or workable protocol possibly in place by 2026		
New Zealand	Workable protocol in place and supplying 3,000 tonnes during NZ off season (Winter) @AU6.00/kg FOB (Hass only)	3,000
Thailand	Workable protocol in place for WA and SA fruit and all Australian east coast (Hass only)	750
India	Market access and workable protocol in place (Hass only). Seek tariff reduction	1,000
Sub-total		4,750
Other markets (stretch goal)		
United Kingdom	Establish supply of 300 tonnes @AU4.50/kg FOB (est. 1% market share), sea freight only, target premium retail	300
Italy	Establish supply of 300 tonnes @AU5.00/kg FOB (est. 1% market share), sea freight only, target premium retail	300
Subtotal		600
Market access not likely within 5 years		
China	Continue to pursue market access.	0
South Korea Vietnam	Pursue market access negotiation prioritisation with DAWE. Market access not likely within 5 years.	0
Taiwan Philippines	Undertake market research to determine viability of this market. If viable, submit market access application to IMAAP and pursue market access. Market access not likely within 5 years.	0
Total		21,250

Table 6: Indicate 2026 targets and objectives by Country for Australian avocado exports.

Questions

- 1) *Do you find the overall export market development approach articulated in this Paper to be sound? If not, why not?*
- 2) *Do you believe that the suggested targets outlined on page 16 & 17 are realistic for industry? (consider markets, volumes and price). If not, what would you suggest?*
- 3) *Do you think there should be Australian avocado industry export guidelines, incorporating quality standards?*
- 4) *Are there any other markets or opportunities that you feel need to be explored further?*
- 5) *What do you see as the potential Unique Selling Proposition (USP) for Australian avocados? (Please be specific about individual markets if you have this level of insight)*
- 6) *How important do you think that international market development and promotion is? Do you think that the industry should invest in more international market development and promotion now to accelerate market demand? (note: this will likely be at the expense of growing market demand in Australia).*
- 7) *What types of international market development and promotion activities discussed on page 16, do you believe would be of most use for Australian avocados?*
- 8) *Do you think there should be one identifying Australia brand e.g. Australia's Nation Brand or similar (see page 16) that could be used by Hort Innovation / Avocados Australia to promote the Australian avocados and that exporters could use to promote the and co-brand their Australian product?*
- 9) *Do you think that exporters should be encouraged to co-contribute financially to any market development activities or promotions that directly benefit their businesses?*
- 10) *Other than the market access research and market development (market and consumer) research discussed is there any other research the avocado industry should be advocating for?*
- 11) *Are there any other comments that you would like to make about the White Paper, the possible Strategy or the possible approaches to realise the outcomes that are needed to sustain industry viability?*

Appendix 1: Project details

Avocado Export Strategy - Hort Innovation project: AV21000

Avocados Australia was recently awarded a Hort Innovation project to undertake the development of the next Avocado Export Strategy to guide development of this sector over the next five years.

The Project Team and Project Reference Group (PRG), listed below has been brought together to inform the development of the Strategy.

Project Team	Project Reference Group
John Tyas (Avocado Australia) Flora Zhang (Avocados Australia) Jenny Margetts (P2P Business Solutions) Noel Shield (Consultant / Farmind Japan) Wayne Prowse (Fresh Intelligence Consulting) Garry Goucher (G.Goucher & Associates)	Sophie Cremasco (The Avocado Collective) Joe Lyons (Lyons Farming / Chair – Bundaberg Fruit & Veg Growers) Cormac te Kloot (Costa Group) Antony Allen (The Avolution) Joe Saina (Chair - Australian Horticultural Exporters & Importers Association (AHEIA) / AS Barr) Mimi Doan (Hort Innovation) Sue Viana (Hort Innovation) Note: John Tyas, Flora Zhang and Jenny Margetts also form part of the PRG.

Details:

Project leader: John Tyas

Lead researcher: Jenny Margetts (P2P Business Solutions)

Export data and data analysis: Wayne Prowse (Fresh Intelligence Consulting)

White Paper author: Jenny Margetts (P2P Business Solutions)

Appendix 2: SWOT

The following SWOT is not exhaustive but captures some of the attributes and issues affecting the industry.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good reputation for quality • Long season of export quality fruit • Established markets (and reputation) in several key Asian markets • Knowledgeable exporters already working in the market • Market development support from other agencies – AAL, HIA, DAFQ, TIQ; other state agencies • Research support to support fruit quality • Levy - \$ for R&D and market development /industry promotion activities • Close to key Asian markets (reducing risk, shipping time and cost) • Increasing capacity to supply volume 	<ul style="list-style-type: none"> • High cost of production • Fruit flies (esp. Queensland fruit fly, limit market access) • Lack of adoption of new technologies to improve productivity • No clear USP for each market? • No quality standards (do we produce the best quality / best taste?) • Lack of awareness of provenance in export markets (e.g. Malaysia) • Lack of understanding of whole-of-chain responsibility / need to meet compliance (educate industry) • Not exploiting market access opportunities e.g. WA fruit to Japan • Limited market access – need large volume markets – e.g. China, India, Japan, Sth Korea • Inexperience in export supply chains and new markets.
Opportunities	Threats
<ul style="list-style-type: none"> • New technologies e.g. automation, fruit coatings etc. (can also be a threat) • Market growth in Asia – e.g. Sth Korea, scope to grow per capita consumption • Clear USP / understand market requirements & segmentation (e.g. grapes) • Well informed buyers (good, consistent information from exporters) • Increased trade and market development consumer promotion • Use of Australia’s Nation Brand, ‘Taste Australia’ or similar branding to unite and accelerate market development 	<ul style="list-style-type: none"> • Geopolitical – China, Ukraine/Russia • Diminishing trade terms • Growth in competitors’ volumes – Peru, Columbia, Mexico, South Africa • MRL breach or food safety issue • Improving quality from competitors • Price position of competitors (e.g. HK market - Peru \$3.07/kg vs Aust \$5) • Market access process • Biosecurity incident impact on trade

Appendix 3: Summary of current export metrics and 2026 strategic export metrics

WORKING DOCUMENT – FIGURES NOT FINAL

Market	2021 exports			Objectives / Focus	2026 exports Target			Market Volume	Market share
	Volume	Value	Unit Value		Volume	Value	Unit Value		
	Tonnes	Million AUD	A\$ per kg FOB		Tonnes	Million AUD	A\$ per kg CIF	Tonnes	
Hong Kong	3,401	16.68	\$4.91	Build market share to 33%	5,000	26.25	\$5.25	15,000	33%
Singapore	2,633	12.28	\$4.66	Hold Market share at 60% while driving market growth	5,400	28.35	\$5.25	9,000	60%
Malaysia	1,680	7.23	\$4.30	Hold Market share at 60% while driving market growth	3,600	18.90	\$5.25	6,000	60%
Indonesia	74	0.50	\$6.78	Target 200 tonnes in premium retail	200	1.40	\$7.00	300	67%
Sub Total	7,788	36.70	\$4.71		14,200	74.90	\$5.27	30,300	46.9%
Japan	73	0.40	\$5.43	build market share to 1 % specific retail target	800	4.00	\$5.00	80,000	1%
China	no access	0.00		market access unlikely within 5 years	0	0.00	\$4.00	60,000	0%
South Korea	no access	0.00		market access unlikely within 5 years	0	0.00	\$4.00	30,000	0%
Thailand	no access	0.00		regain access for WA and Qld promote in retail	750	4.50	\$6.00	3,000	25%
Taiwan	no access	0.00		market access unlikely within 5 years	0	0.00	\$6.50	2,500	0%
India	no access	0.00		pursue access and target a city food service and retail	1,000	4.50	\$4.50	2,000	20%
Philippines	no access	0.00		not viable in 5 years	0	0.00	\$6.00	50	0%
New Zealand	no access	0.00		pursue access and target off season (Apr - July)	3,000	18.00	\$6.00	9,000	33%
Vietnam	no access	0.00		not viable in 5 years	0	0.00	\$5.25	100	0%
Total Access Targets	0	0.40			5,550	31.00	\$5.59	186,650	3.0%
United Arab Emirates	93	0.33	\$3.60	target food service with air freight	500	3.00	\$6.00	20,000	3%
Qatar	7			target food service with air freight	200	1.00	\$5.00	4,000	5%
Turkey	0			not viable in 5 years	0	0.00	\$1.50	5,000	0%
Italy	0			target premium retail with sea freight	300	1.50	\$5.00	30,000	1%
United Kingdom	0			target premium retail with sea freight in Peru off season	300	1.35	\$4.50	120,000	0%
Total Others	100	0.33	\$3.36		1,300	6.85	\$5.27	170,452	0.8%
all Other	190	1.05	\$5.54	Maintain Pacific Island trade	200	1.10	\$5.50	2,709,081	
TOTAL	8,078	38.09	\$4.71		21,250	113.85	\$5.36	3,042,000	0.7%

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